GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:896
ANSWERED ON:28.07.2000
WAGE REVISION OF INSURANCE SECTOR EMPLOYEES
BHIM PRASAD DAHAL

Will the Minister of FINANCE be pleased to state:

(a) Whether the Government have revised the wages of employees working in the public sector insurance companies; (

(b) if so, the details thereof and the date from which the wages have been revised; and (

(c) the financial implication as a result thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

(a): Yes, Sir.

(b): The Central Government have approved wage revision for the employees of the Life Insurance Corporation and General Insurance Corporation and the four subsidiaries. This wage revision is effective from 1.8.1997 for a period of five years i.e. upto 31.7.2002. The wage revision is in two parts, viz.(I) overall wage revision at the rate of 12% of the wage bill as on 1.8.1997, covering benefits such as basic pay scales, dearness allowance, house rent allowance, city compensatory allowance, conveyance allowance, hill station allowance, functional allowance, etc. and
(ii) Productivity Linked Lump-sum Incentive Scheme, from 1.4.1999 upto 31.3.2002, providing for payment of incentive upto a maximum of 6% of the wage bill as on 1.08.1997(pre-revised) subject to achieving certain basic parameters.

In addition, a lump-sum payment in lieu of ProductivityLinked Lump-sum Incentive at the rate of 1.67% of the wage bill as on 1.08.1997, for the period 1.08.1997 to 31.03.1999, has also been approved.

Concerned gazette notifications are separately being laid on the Table of the House.

(c): The financial implications as a result of the wage revision are as follows:-

(I)	LIC	:	Rs.158.72 Crore p.a.
(ii)	GIC and subsidiaries	:	Rs.142.00 Crore p.a.